Stanislaus County Economic Forecast

Located immediately east of Santa Clara County, Stanislaus County has evolved from an agricultural community to a bedroom community for South and East Bay workers. It is now growing much of its own industry and is poised for significant growth over the decade.

The largest city is Modesto with a population of 203,300. However, between 1990 and the 2000 Census, the population of Turlock increased 32 percent. The fastest growing city today is Patterson, followed by Waterford. By the year 2008, the county's population is projected to rise 14.6 percent to 552,000 residents.
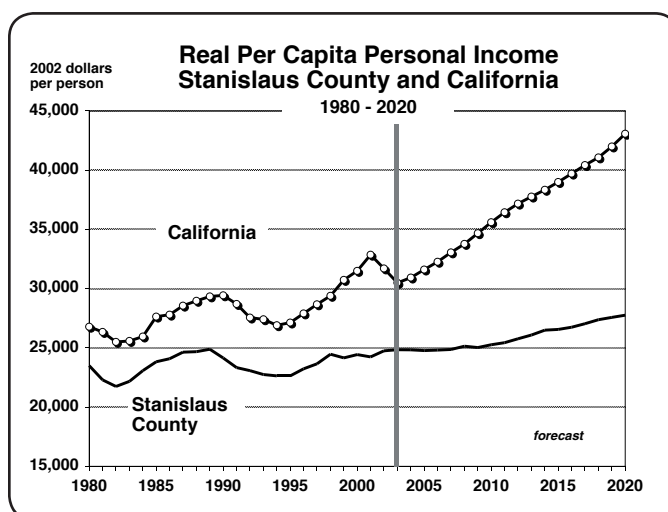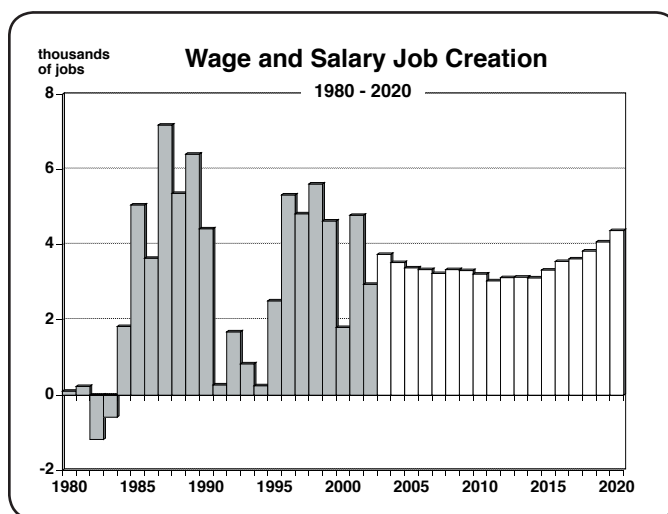
Population • January 2003

City	Population	2002-2003 % change
Modesto	203,300	2.3
Turlock	61,300	3.2
Ceres	36,400	2.0
Riverbank	17,250	1.5
Oakdale	16,750	3.1
Total County	**481,600**	**2.8**

The annual average unemployment rate was 11 percent in 2002. That is a decline from the much higher rates observed in the middle 1990s, but still higher than the state's rate of 6.5 percent. Traditionally, agriculturally oriented counties like Stanislaus have greater seasonal variations in employment, resulting in higher unemployment rates.

Non-farm industry employment projections for the forecast period 2003–2008 indicate that services, government, and retail trade will dominate Stanislaus County's future economy. Between 2003 and 2008, these three industries will contribute over 90 percent of the total growth in employment, and represent 67 percent of total employment.

Due to its food processing and other related industries, Stanislaus County generates substantial economic activity in processing, packing, marketing, and retailing. Advanced technology plays a major role in agribusiness, transforming the region and positioning Stanislaus County as a global center for agriculture and agribusiness. Labor market conditions in Stanislaus have improved over the last five years as evidenced by growth in civilian labor force and total employment, and declining unemployment rates.

Although Stanislaus County is best known for its agriculture production, the local economy is becoming

Wage and Salary Job Creation
1980 - 2020
thousands of jobs

Real Per Capita Personal Income
Stanislaus County and California
1980 - 2020
2002 dollars per person

increasingly more diversified due to the migration of San Francisco Bay Area workers seeking affordable housing. The median home selling price of a home in the county during 2002 was $176,400. For all of California, the median selling price in 2002 was $318,105.

Forecast Highlights

• Non-farm employment averages 2.3 percent growth per year between 2003 and 2008. Between 1997 and 2002, employment in the non-farm sector averaged 3.0 percent growth per year. Farm employment is forecast to decline 1.2 percent per year over the next five years.

Population Growth
1980 - 2020

Net Migration
1980 - 2020
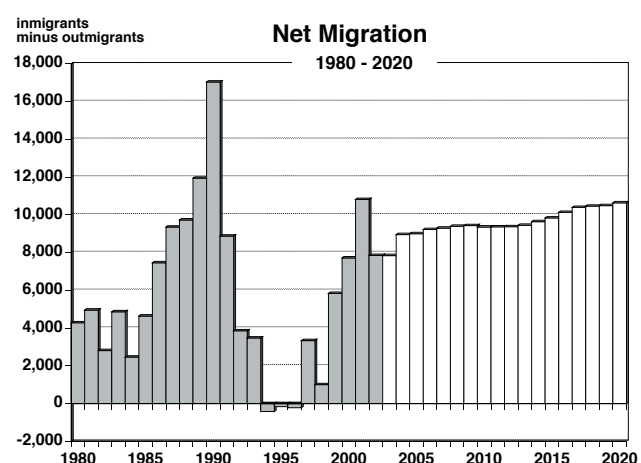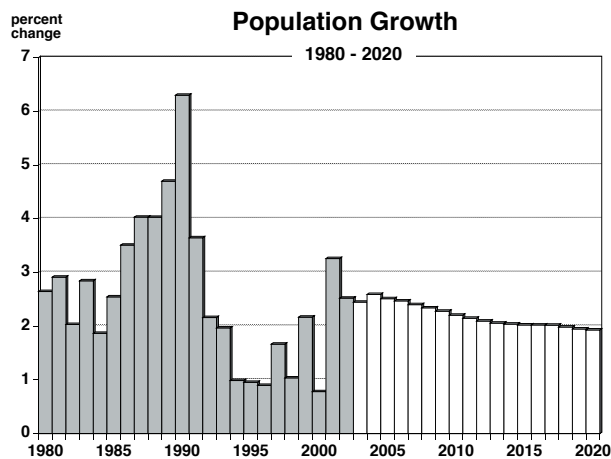
Stanislaus County Economic Forecast
1995-2002 History, 2003-2020 Forecast

|	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	422,500	-154	332	135.6	1,347	$2.5	$7.5	$22,639	$1,120	$2.9
1996	426,300	-212	338	137.2	1,428	$2.6	$8.0	$23,236	$1,125	$3.0
1997	433,400	3,342	340	138.5	1,472	$2.7	$8.5	$23,650	$1,280	$3.1
1998	437,900	1,009	323	139.7	2,090	$2.9	$9.2	$24,460	$1,356	$3.2
1999	447,400	5,841	343	140.9	2,310	$3.2	$9.7	$24,150	$1,336	$3.6
2000	450,900	7,725	357	142.4	3,413	$3.6	$10.3	$24,437	$1,244	$3.7
2001	465,600	10,817	372	144.7	3,194	$3.9	$11.1	$24,233	$1,241	$3.7
2002	477,347	7,850	376	147.2	3,170	$4.2	$11.8	$24,749	$1,188	$3.7
2003	489,034	7,846	379	150.4	3,354	$4.4	$12.5	$24,838	$1,240	$3.8
2004	501,710	8,959	383	153.5	3,745	$4.7	$13.1	$24,834	$1,308	$4.0
2005	514,317	9,006	387	156.3	4,013	$5.0	$13.8	$24,768	$1,365	$4.1
2006	527,026	9,227	392	159.1	4,071	$5.3	$14.6	$24,810	$1,420	$4.2
2007	539,688	9,301	396	162.0	4,165	$5.6	$15.3	$24,862	$1,476	$4.3
2008	552,329	9,397	401	165.0	4,182	$5.9	$16.3	$25,135	$1,527	$4.5
2009	564,921	9,434	406	168.1	4,163	$6.2	$17.0	$25,025	$1,582	$4.6
2010	577,373	9,358	411	171.1	4,135	$6.6	$18.0	$25,260	$1,639	$4.7
2011	589,776	9,368	416	174.2	4,143	$6.9	$19.1	$25,438	$1,697	$4.9
2012	602,136	9,376	422	177.3	4,212	$7.4	$20.3	$25,770	$1,756	$5.1
2013	614,527	9,450	427	180.3	4,291	$7.8	$21.6	$26,085	$1,817	$5.2
2014	627,065	9,642	432	183.4	4,364	$8.2	$23.0	$26,491	$1,876	$5.4
2015	639,758	9,840	437	186.6	4,480	$8.7	$24.1	$26,560	$1,933	$5.6
2016	652,701	10,136	443	189.8	4,538	$9.2	$25.5	$26,740	$1,993	$5.7
2017	665,876	10,400	449	193.1	4,530	$9.9	$27.1	$27,034	$2,055	$5.9
2018	679,091	10,463	456	196.5	4,514	$10.4	$28.8	$27,374	$2,115	$6.1
2019	692,323	10,493	463	199.9	4,532	$11.0	$30.3	$27,568	$2,172	$6.3
2020	705,696	10,642	471	203.2	4,609	$11.5	$32.0	$27,756	$2,229	$6.6

• The unemployment rates rises over the forecast period to a maximum of 12.5 percent, a lower level than that observed during the 1990s. Unemployment rates in the 10 to 11 percent range that characterized the Stanislaus County labor markets between 1999 and 2002 are not sustainable. Unemployment is still structurally lower during the forecast period, due to a shrinking farm sector as a percent of the entire labor market.
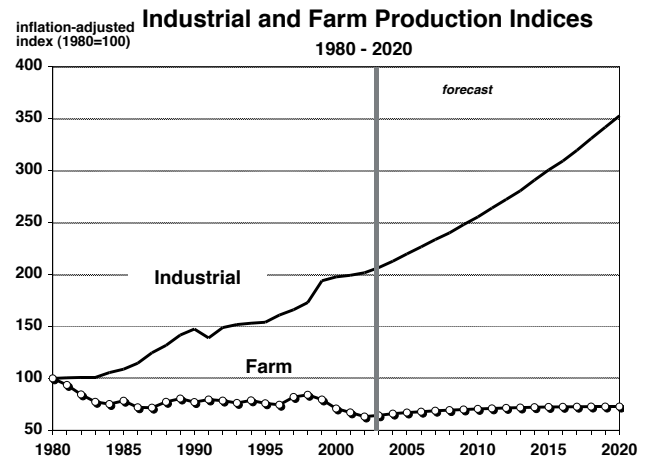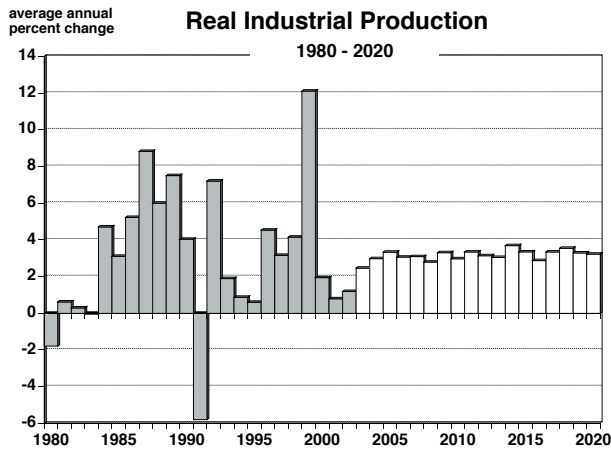
Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
				--------employment (jobs)--------					
137.7	13.7	6.0	0.000	25.1	5.2	31.6	4.5	28.9	22.6
143.0	15.2	6.2	0.000	26.0	5.4	32.3	4.4	30.3	23.2
147.8	16.1	6.8	0.000	26.1	5.4	33.5	4.5	32.1	23.4
153.4	16.2	8.0	0.000	26.6	5.3	34.7	4.5	34.5	23.7
158.1	16.4	9.2	0.000	26.3	5.5	36.2	4.6	36.2	23.7
159.9	15.7	9.8	0.000	26.0	5.6	37.1	4.8	37.0	23.9
164.6	15.1	11.1	0.000	26.1	5.9	38.5	4.9	38.7	24.4
167.6	15.3	10.3	0.000	26.3	5.8	39.8	5.1	40.0	25.1
171.3	14.9	10.1	0.017	26.3	5.8	41.5	5.1	41.8	25.7
174.9	14.6	9.9	0.022	26.4	5.9	43.1	5.2	43.4	26.3
178.2	14.4	9.7	0.023	26.5	6.0	44.4	5.3	45.0	26.8
181.6	14.2	9.6	0.024	26.6	6.1	45.7	5.4	46.5	27.4
184.8	14.1	9.5	0.024	26.8	6.2	46.8	5.6	47.9	27.9
188.2	14.0	9.4	0.025	27.0	6.3	47.8	5.7	49.3	28.5
191.5	14.0	9.3	0.025	27.3	6.4	48.8	5.9	50.7	29.1
194.7	13.9	9.2	0.024	27.6	6.5	49.7	6.0	51.9	29.7
197.7	13.9	9.3	0.024	27.9	6.6	50.6	6.2	52.9	30.3
200.9	13.9	9.3	0.023	28.3	6.7	51.4	6.4	54.0	30.9
204.0	13.9	9.3	0.023	28.6	6.8	52.1	6.6	55.2	31.5
207.1	13.9	9.4	0.022	29.0	6.9	52.8	6.7	56.4	32.0
210.5	13.9	9.4	0.022	29.3	6.9	53.5	6.9	57.8	32.6
214.0	13.9	9.5	0.021	29.7	7.0	54.2	7.0	59.4	33.3
217.6	13.9	9.6	0.020	30.0	7.1	54.9	7.1	61.0	33.9
221.5	13.9	9.7	0.019	30.4	7.2	55.7	7.3	62.7	34.6
225.5	13.9	9.8	0.018	30.7	7.3	56.5	7.4	64.7	35.2
229.9	13.8	9.9	0.017	31.0	7.4	57.4	7.6	66.9	35.9

• Net migration accounts for most of the population gain in the county over the foreseeable future. An average of between 7,500 and 10,000 new immigrants per year will re-locate in Stanislaus County during the decade.

• More residential units will be demanded and built in the county over the decade. Between 3,000 and 4,000 units per year will be authorized. Home prices will not rise at the same rate of appreciation that was observed during the 1999 to 2002 period. More housing supply will help to stabilize prices by 2005.

Real Taxable Retail Sales

billions of 2002 dollars

1980 - 2020

7.5	
6.5	
5.5	
4.5	
3.5	
2.5	
1.5	

1980 1985 1990 1995 2000 2005 2010 2015 2020

Total Registered Vehicles

thousands of vehicles

1980 - 2020

500	
450	
400	
350	
300	
250	
200	

1980 1985 1990 1995 2000 2005 2010 2015 2020

Employment in Manufacturing

thousands of jobs

1980 - 2020

Non-durable Manufacturing

Durable Manufacturing

forecast

22	
20	
18	
16	
14	
12	
10	
8	
6	
4	

1980 1985 1990 1995 2000 2005 2010 2015 2020

Employment in Services

thousands of jobs

1980 - 2020

70	
60	
50	
40	
30	
20	
10	

1980 1985 1990 1995 2000 2005 2010 2015 2020

New Residential Units

units permitted

1980 - 2020

6,500	
5,500	
4,500	
3,500	
2,500	
1,500	
500	

1980 1985 1990 1995 2000 2005 2010 2015 2020

Real Earnings per Worker
Stanislaus County and California

2002 dollars per worker

1980 - 2020

California

Stanislaus County

forecast

60,000	
55,000	
50,000	
45,000	
40,000	
35,000	
30,000	

1980 1985 1990 1995 2000 2005 2010 2015 2020